

**EXECUTIVE SECRETARIAT**  
**ROUTING SLIP**

TO:

		ACTION	INFO	DATE	INITIAL
A/	DCI		X		
2	DDCI				
3	EXDIR		X		
4	D/ICS		X		
5	DDI				
6	DDA		X		
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OLL				
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SUSPENSE

Date

Remarks

21 Aug 85

Date

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

Executive Order
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65- 3254

M-85-21

August 13, 1985

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

FROM: JOSEPH R. WRIGHT, JR.  
ACTING DIRECTOR

SUBJECT: Credit Management

Recent reports by Inspectors General and our own Credit Management Implementation Team indicate that agencies have a long way to go in complying with Circular A-129, "Managing Federal Credit Programs." The Circular sets standards for extending credit, servicing accounts, collecting delinquent receivables, and writing off bad debts.

Audits by six Inspectors General disclosed major errors in debt collection information reported by their agencies on Schedule 9, S.F. 220, "Report on Status of Accounts and Loans Receivables." These programs cannot be managed without the basic data called for on Schedule 9 on account balances, portfolio aging, delinquency, default, and write off. These reports must be improved and must be based on information compiled from comparable and integrated financial management systems.

In addition, agencies have got to set up effective procedures for prescreening applicants, using credit reports, and automating account management systems. Agency procedures need to be re-examined to ensure that there is timely reporting to credit bureaus, increased use of salary and administrative offset, and that agencies are turning over seriously delinquent debt to collection agencies or to the Justice Department.

We believe we have a good set of policies in place now. In the next few weeks agencies will be submitting credit management plans in compliance with Circular A-129. Please follow up with your staff to ensure that your plans lay out an aggressive strategy to minimize delinquencies and maximize collection of debt owed to the Federal Government.

A-100